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ABSTRACT

The overall objective of this elective senior course and guide is to lead the non-college-bound student toward the maturity of consumer judgement necessary in the complex economic marketplace of today. The scope and sequence section of this guide lists the eight units and includes basic objectives, and conceptual understandings for each: 1) consumer purchasing; 2) purchasing food, clothing, furniture, and appliances; 3) purchasing and maintaining an automobile; 4) housing; 5) short term consumer credit; 6) budgeting, money management, and investments; 7) security programs; and, 8) fraud, quackery, deception, and consumer law. Each of these units is coordinated with chapters in a textbook, "The Consumer and His Dollars", and uses several teaching techniques: discovery, inquiry, mass media, comparative shopping, discussion, field trips, library and resource utilization, problem solving, role playing, creative dramatics, and community resources. In addition to the many learning activities listed, there are basic vocabulary lists, extensive bibliographies of periodicals, books, texts, filmstrips, including three major references --"The Audiovisual Guide in Economics," the "Paperbound Books in Economics," and "Periodical Guide to Literature." This guide is classified as tentative by the project. (SBE)

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# CONSUMER EDUCATION

- A Senior High Elective Course -

SO 001 193

Glens Falls City School District
August, 1970

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# CONSUMER EDUCATION

- A Senior High Elective Course -

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August, 1970

GLENS FALLS CITY SCHOOL DISTRICT

CONSUMER EDUCATION

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# CONSUMER ECONOMICS

## Introduction

The American consumer is the victim of his own ignorance. This is a very general and perhaps over-used statement, but unfortunately in so many cases it is the exact truth. The art of everyday economic living is becoming more complex with each passing year. We see today, as we have seen in the recent past, the campaigns of concerned groups demanding reform legislation for the protection of the consumer. But this is not enough. The average person is just not trained to cope successfully with the complex marketplace which he faces today. There is a continued need to improve one's self economically and socially. We have an obligation to include in our educational experience a more meaningful and practical training in order to make the informed decisions of the enlightened consumer.

Today, more than ever, our students need a sensible educational program of consumer economics. To develop the art of being a skilled consumer, they must learn the importance of being an efficient user of goods and services. Hopefully, the exposure of our students to the materials and methods developed in this guide will help accomplish this end. Our overall objective is to lead them to a maturity of judgement so necessary for their future happiness.

Many of our students will not have the opportunity or the inclination to pursue a college program of study beyond the high school years. They will become independent of their parents earlier than others and be expected to assume the responsibilities and obligations that this will entail. This consumer economic program will be especially practical for this type of student. Enrollment in this senior elective seems to indicate that the non-college bound senior is making this his elective choice. The advanced economics elective has a higher enrollment of the college-bound senior. The consumer economics program has been developed to help all, but a special effort has been made to make it most practicable for the non-college-bound student.

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August, 1970

## A SPECIAL NOTE TO THE TEACHER USING THIS GUIDE FOR CONSUMER ECONOMICS

In this course of study the sources of information are many and the students themselves, through guided activities, will come in contact with many of them in the course of their research. Our suggestions (objectives, learning and teaching techniques, basic understandings, etc.) stem from a basic premise we have adhered to from the outset: "Develop the course just as you would teach it." We have placed a great emphasis on student involvement. The heart of each unit involves student activities. You will find that the materials or resource people suggested for use are immediately accessible to you within the school proper or the immediate vicinity. Other sources such as the annotated bibliography of The Audiovisual Guide in Economics and the annotated bibliography of the Paperbound Books in Economics are just listed once at the end of Unit I.

Obviously, we have prepared a very tentative guide. You will notice that we have limited our resource material concerning available periodic articles to the last two years. As changes occur in our economic life, you will be responsible for the updating as reflected in the more recent articles. This will be a very valuable source of information for your students.

We have suggested some content procedures, but due to the nature of this course we felt that the teacher himself would be the best judge of the limits in which to contain the quantity of available materials. In the Scope and Sequence area of this guide, the textbook, The Consumer and His Dollars, is coordinated with each unit. Many pamphlets are available either in the Social Studies Department or the Home Economics Department. This involves one or two copies of each or whole class sets. Check with these departments at the beginning of the year. This material is so numerous and subject to change that we did not list them in your material section.

In conclusion may we suggest the following procedures:

1. Have the school librarian set up a special section in the library devoted to consumer economics. In this way you will be able to coordinate all materials (pamphlets, etc.) in one central location.
2. Use this guide in coordination with the state syllabus.
3. Check each new publication of the Periodical Guide to Literature to keep up with relevant articles.
4. Resource people will change. Keep in touch.
5. Have the Guidance Department direct to you the students that would most benefit from the course.

The Authors

| UNITS | 1. Consumer Purchasing | II. Purchasing Food, Clothing, Furniture and Appliances |
|---|---|---|
| NUMBER OF DAYS | 12 | 10 |
| OBJECTIVES | 1. To discover those motivational forces that prompt us to consume material goods.<br>2. To consider how advertising techniques influence our buying habits.<br>3. To acquire the common sense to think before we buy. | To help students develop an understanding of the problems involved in the purchase of food, clothing, furniture, and appliances. |
| BASIC UNDERSTANDINGS | 1. Purchasing will be greatly influenced by the student's environment especially his association with the peer group and his parents' economic status and buying habits.<br>2. Besides societal patterns, advertising plays an important role in shaping consumer demands.<br>3. Price alone is seldom a completely reliable measure of value. | 1. Families will be better fed with wise use of the food dollar.<br>2. One may change shopping habits to take advantage of certain food values.<br>3. The best wardrobe does not necessarily have to be large.<br>4. It is advisable to select a style of furniture conservative enough to be used in a changing environment and durable enough to withstand hard wear.<br>5. Impulse buying should not take place if a budget has been established. |
| TEXT | Chapters 1-5 | Chapt. 6, 7 (pgs.139-44) |

The number of days for each unit is just a suggestion. After teaching Activities have not been mentioned in the Scope and Sequence because Learning and Teaching Techniques section of each unit.

| III. Purchasing and Maintaining an Automobile | IV. Housing |
|---|---|
| 8 | 8 |
| 1. What responsibilities and risks may I face upon becoming an automobile owner?<br>2. How do I decide whether or not I should buy a new or used car?<br>3. How can I be reasonably assured that I am getting my money's worth when purchasing an automobile? | 1. To present to the student the advantages and disadvantages of different types of shelter.<br>2. To be aware of the unforeseen expenses in the initial buying of a house.<br>3. To acquire an understanding of the many factors involved in making a choice between purchasing a new or older home. |
| 1. An automobile owner should realize the importance of obeying safety laws and regulations.<br>2. Insurance is a necessary part of your financial security for it protects you against the risks of owning and driving a car.<br>3. The decision to purchase a new or used car depends upon an individual's economic resources, his personal likes and dislikes, his desire to acquire status in the community, and similar factors peculiar to each buyer. | 1. A person has to learn to adapt his shelter requirement to his financial ability.<br>2. Family values and goals influence the decision to buy or rent.<br>3. There are varying types and prices of mortgages.<br>4. There are advantages and disadvantages in purchasing an older home.<br>5. Buying and owning a really good, trouble-free house can be a never-ending source of great pleasure and satisfaction. |
| Chapt. 7 (pgs. 125-28) | Chapt. 10 |

each unit a better judgement regarding the time factor may be made. Basic they are many and there was just not ample room. They can be found under the

| V. Short Term Consumer Credit | VI. Budgeting, Money Management, and Investments |
|---|---|
| 8 | 15 |
| 1. To develop understanding of the proper use of credit.<br>2. To learn how to avoid the dangers of credit.<br>3. To understand how the wise use of credit stimulates the economy, helps families acquire assets, and raises the general level of living. | 1. To understand the need of planning for spending money wisely.<br>2. To discover how one plans for sound expenditure of money.<br>3. To discover that sound money management is necessary for intelligent consumer behavior. |
| 1. Credit is used for immediate satisfaction as opposed to savings-deferred satisfaction.<br>2. Credit involves debt. There are definite responsibilities and obligations that accompany the use of credit.<br>3. An individual's way of life affects his ability to obtain credit.<br>4. Credit should be used only when absolutely necessary.<br>5. Credit costs are complex and may be difficult to determine,<br>6. Availability of credit stimulates the demand for consumer goods. | 1. A plan for spending helps a person or family enjoy both short term and long term goals.<br>2. Effective money management makes one make decisions about the source of money and where and how it is spent.<br>3. A budget is a plan for the use of money.<br>4. A good budget should help one to live within his income.<br>5. A budget is only a guide and can be changed when the personal or family situation changes.<br>6. A successful plan of spending will give an individual or family a sense of security and well-being. |
| Chapt. 9 | Chapts. 8, 12, 13 |

| VII. Security Programs | VIII. Fraud, Quackery, Deception and Consumer Law |
|---|---|
| 10 | 10 |
| 1. To acquire an understanding of the various types of life insurance.<br><br>2. To acquaint the students with the different types of social insurance programs. | 1. To be able to distinguish between honest and dishonest businessmen.<br><br>2. To understand how consumers are served and protected by various government agencies, business organizations, and private groups.<br><br>3. To understand how and why business and consumers depend on each other in achieving mutual goals |
| 1. Life insurance reduces the individual risk of loss by sharing the risk with many.<br><br>2. Besides being a form of protection, life insurance may also be a form of savings.<br><br>3. Social Security not only provides retirement benefits, but it may also be a source of income to survivors or dependents of deceased or disabled workers.<br><br>4. Medicare is a federal health insurance program which covers most persons who have reached the age of 65.<br><br>5. Medicaid is a federal-state-local program that provides funds for needed medical care for families who cannot pay for it. | 1. A consumer should seek qualified medical advice when considering purchase of health devides or medication.<br><br>2. A consumer should make decisions slowly, reputable firms will be in business tomorrow.<br><br>3. A consumer has the right to protection against misrepresentation, dishonesty and fraud.<br><br>4. A consumer has the right to assurance of satisfactory quality and service.<br><br>5. A consumer protects his rights and accepts responsibility by paying taxes and knowing how tax dollars are used. |
| Chapt. 11 | Chapts. 14, 15 |

## UNIT I - CONSUMER PURCHASING

Objective #1:

To discover those motivational forces that prompt us to consume material goods.

Learning and Teaching Techniques:

1. Some physiological and psychological aspects of man should be considered at the beginning of this unit. The teacher should draw upon the educational experiences of the student in the scientific field or he may bring out certain psychological considerations through a questioning technique. Why do we eat certain types of foods? Wear certain types of clothes? Purchase a certain type of car?

2. Have each student consider his own personal feelings and desires. Make a list of those physical and psychological drives that demand consumption. These lists will provide discussion material. Select those items from the students' lists that reflect his basic drives for self-preservation, peer approval, creativity, knowledge, etc. Understanding their role as a social creature will help them realize the forces that will greatly effect their consumption.

Basic Understandings:

1. Purchasing will be greatly influenced by the student's environment especially his association with the peer group and his parent's economic status and buying habits.

2. It is of great importance to recognize the difference between needs and wants and to discipline oneself accordingly.

3. Producers of goods recognize our desires and drives and strive to influence us through campaigns.

Objective #2:

To consider how advertising techniques influence our buying habits.

Learning and Teaching Techniques:

1. For a homework assignment have each student list a particular TV commercial that appeals to him. From such a listing very familiar commercials promoting cigarettes, beer, shaving lotions, etc., can be selected. The class may be divided up into groups, each assigned a particular commerical to be evaluated. Criteria for the evaluation would include consideration of the message, principals involved, psychological implications, possible aggravation with the commercial, etc. Make sure the students bring out the certain types of appeals being made (suggestion, intellectual, snob, etc.).

2. Other than TV commercials, the student should recognize the many other promotional devices. Have each student bring in a newspaper clipping depicting a promotional gimmick. A bulletin board should be prepared showing entries from such local establishments as Sears, Montgomery Wards, Joy, Grand Union, A & P, Clarks, Zayre, Fowlers, Fashion Shop, Grossmans, local banks, etc. From such a bulletin board price comparisons, discounts, "specials", introductory offers, contests, etc., can be noted. A discussion of seasonal prices would be profitable at this time - back to school sales, late summer buys in clothing, early fall or spring sales, etc.

Basic Understandings:

1. Besides societal patterns, advertising plays an important role in shaping consumer demands.

2. Advertising takes many forms and is transmitted continuously.

3. Advertising can be informative and helpful. If demand is stimulated to a great extent, unit cost may be lowered.

4. Such things as trading stamps are promotional devices for which the consumer ultimately pays.

5. A wise consumer may benefit from a selective use of promotional devices (discounts, loss, leaders, etc.).

Objective #3:

To acquire the common sense to think before we buy.

Learning and Teaching Techniques:

The student must be made aware that the consumer has to stay within the range of his budget and to think twice concerning the purchase in question there may be a better use for his money. The importance of a shopping list and the knowledge of the right time to buy should be impressed upon the student. Comparative shopping is the key to this objective. In keeping with the general nature of this unit, the following individual projects would be rewarding to the entire class.

1. Choose an item and price it in various stores, eg. Westinghouse and GE irons. Compare features and prices.

2. Use mail order catalogs to compare prices of mail order firms. Also not postage and service charges. Compare prices with those in retail stores.

3. Compare prices of weekly grocery sales of various supermarkets listed in newspapers for like items. Note the "weekend specials."

4. Compare prices of sporting goods as sold in discount stores, department stores, and sporting goods speciality stores. Also compare service and quality.

5. Compare prices of various sizes of several brands of similar products (juice, soup, powder, etc.).

6. Survey shopping habits of parents and friends. Tabulate the responses on a check list under types of motivations.

7. Compare interest rates for installment buying for similar concerns.

8. Compare prices of goods in a store which offers trading stamps and in one which does not offer stamps.

9. Compare the per ounce price of the various of different brands of a product (cereals, soap powders, etc.). Ask your parents if they compare price per ounce. What are the problems in doing this ?

10. Compare the basic prices of the major automobile manufacturers. In what ways do they compete ?

11. Compare meat prices and what these meats could be made into. Compare the cost per meal.

12. Compare gasoline of various brands and their octane rating. Why do prices vary at different times throughout the year?

13. Compare the price of frozen foods during the season with the price of fresh item. Then compare the frozen price to the fresh price out of season.

14. Compare advertising appeals of similar products.

15. Ask Welcome Wagon representatives how their organization works. How do they get merchants to contribute presents to the new members of the community? How do they find out who is new in town? What are some of the interesting questions asked by newcomers?

16. Visit your Better Business Bureau or similar agency and ask them about cases of interesting advertising and what was done to catch shoddy dealings. How does one know when to contact such an agency?

Basic Understandings:

1. Supply and demand determine prices in a competitive market system.
2. Per unit price comparison will help you get the least expensive items.
3. Price alone is seldom a completely reliable measure of value.
4. Newly introduced items tend to have high prices.
5. Timing the purchase is important.
6. In knowing prices you will recognize a good buy, especially with brand names.
7. Paying bills in advance or on time results in additional savings.
8. Consumers should be aware what the guarantee covers and what it does not cover.
9. Size descriptions such as "giant", "jumbo", or "super" may be misleading.
10. Reliable manufacturers and retailers usually stand behind their products.
11. Planned spending helps individuals fit purchases into long range plans.

Evaluation:

There are many possibilities for student evaluation within the range of these units. Student participation should be a major consideration. The following list of references and materials and the many activities mentioned above will provide opportunities for individual evaluation. Objective tests could be many and varied according to teacher preference.

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"Still Buying But Enjoying It Less," Business Week, p. 31-3, November 1, 1969

"Toward A Just Market Place," Time, 94:92, November 7, 1969

"Why Americans Are Buying Less," Time, 94:90, October 3, 1969

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"Spotlight on the Economy", N. Y. Times: February, 1956

"Prosperity Without End?" N. Y. Times: March, 1970

"Protecting the Consumer", N. Y. Times: March, 1969

"The American Consumer", N. Y. Times: March, 1964

"The U. S. Economy", N. Y. Times: November, 1967

The following annotated bibliography is also located in the Social Studies Lab.

Audio-Visual Guide In Economics, Albany Center For Economic Education, 1969-1970

Unit II Purchasing Food, Clothing, Furniture and Appliances

Objective # 1 To help students develop an understanding of the problems involved in the purchase of food, clothing, furniture, and appliances.

Learning and Teaching Suggestions:

Purchases of food, clothing, furniture and appliances represent a large expenditure of money. Purchases for food alone require a larger outlay of the family income than for any other commodity. A shopper needs to have skill in the marketplace. With this skill, the home-manager can influence the health, pleasure, and pocketbook of the family. What influences the management of the family food dollar?

1. Have students find out approximate percentage of family income that is spent on food.
2. Have students compare their meal patterns with suggested daily requirements. (Home Economics Department will be glad to cooperate.)

Basic Understandings:

1. Families will be better fed with wise use of the food dollar.
2. The type of family involved will determine the food budget.
3. One may change shopping habits to take advantage of certain food values.

Learning and Teaching Suggestions:

Many teenagers feel they never have enough clothes to wear and yet their closets are full of clothing.

1. Have each student make an inventory of his clothing.
   What do they feel they absolutely need?
   What do they want in the way of clothing?
   How much can they afford to spend?
2. Have them make a shopping plan, and do some comparison shopping.
3. Have students bring in samples of different fibers and fabrics. What are disadvantages and advantages of each?
4. Prepare a chart illustrating same.

Basic Understandings:

1. The best wardrobe does not necessarily have to be large.
2. A plan for spending will give more satisfactory results in clothing purchases.
3. Proper clothing fit is essential for appearance and comfort as well as adding to the life of the garment.

Unit II
Purchasing food, clothing, etc. cont'd

Learning and Teaching Suggestions;

Furniture and major appliances represent the next largest initial expenditure, after the purchase of a house. Therefore, an overall plan of purchase is desired.

1. Because most high school students have meager information as to purchasing furniture, I would like to suggest that one of the Industrial Arts teachers be called upon to explain the types of wood and the basic construction involved in the manufacture of wood furniture.
2. A field trip could be planned to a nearby furniture store.
3. Students might inventory the appliances they have at home, using a chart, indicating size, capacity, special features, repair cost, etc.
4. A discussion on the following topic would prove interesting:

   --The homemaker of today has a much easier job than the homemaker of Colonial days.

Basic Understandings:

1. Extreme care and foresight should be exercised in the sekection of these durable goods to assure the maximum satisfaction for the greatest length of time.
2. It is advisable to select a style of furniture conservative enough to be used in a changing environment and durable enough to withstand hard wear.

Objective #2. To help students understand how to make decisions as they must be made in the area of major purchases of food, clothing, furniture and appliances.

Learning and Teaching Suggestions:

Making major decisions involves making satellite decisions based on knowledge obtained from all sources, reading, asking questions, observing, comparing and trying out various things. What are some wise habits for consumers to follow in the area of shopping for food, clothing, furniture and appliances. Comparison shopping in any of the above areas is important.

(continued)

Basic Understandings:

1. Fabric and workmanship must be checked before making a purchase.
2. Select furniture pieces with which you will be comfortable and that will fit in with your other furnishings.
3. Judge all clothing purchases thinking in terms of what is desired for money invested.
4. Consider all warranties and guarantees available before making a decision on purchase of appliances.

Objective #3. To help students to know where to find information which may be used in order to make intelligent choices.

Learning and Teaching Suggestions:

Many sources of information are available which should help the consumer make choices. TV and radio programs are presented which offer help in areas of purchasing.

The USDA (local extension service) Superintendent of Documents has many bulletins available for the asking, or a small fee.

Have the students consult Consumers Reports and Consumer Bulletin (H.S. Library) for up to date information on products.

Basic Understandings:

1. There is information available to the consumer on what makes a good purchase if he knows where to find this information.
2. Appliance purchasing is difficult, therefore one should utilize all helpful resources available before making a decision.

Objective #4. To help the student acquire an appreciation for the need to balance quality, durability, and suitability with monetary cost.

Learning and Teaching Suggestions:

The ability to make one's money stretch to make the best purchases for the money available is an attribute not easily learned. However, in order to be satisfied, a consumer must be able to do the above. The establishing of a plan of spending, called a budget, helps accomplish this goal. Students might be asked to make a budget for a certain length of time. Find out how well they were able to keep to the budget.

cont'd

Unit II
Purchasing food, clothing, etc., cont'd.

Basic Understandings:

1. A budget is a plan for spending .
2. A food budget should be flexible, and built upon experience.
3. Impulse buying should not take place if a budget has been established.
4. A clothing budget and a plan for care of clothing should help to cut the cost of clothing.

Unit II
Purchasing Food, Clothing, etc., cont'd

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"What to Look for in Buying Quality Furniture," Questions and Answers, Better Homes and Gardens, 46:126 Nov. '68

## Unit III PURCHASING AND MAINTAINING AN AUTOMOBILE

This is a very practical topic and information for this unit will probably be more readily available through outside sources than through textbook references. Learning activities will be especially important for the students in order to realize the relevance of the unit. It should be impressed upon the student at the very beginning of this unit that owning an automobile is going to call for some problem solving. We are proceeding from the point of view that the student will be a future automobile owner, if he already isn't.

### Problem #1

What responsibilities and risks may I face upon becoming an automobile owner?

### Learning and Teaching Techniques:

1. Check Felsen's book in the library (in the bibliography). He discusses the problems, dangers, and trust suddently placed upon a teenager when he becomes a driver. Also Margaret Hyde's book has a good section on a driver's road personality, and she stresses politeness and consideration without preaching.

2. Bring in the issue of Time for May 3, 1968 (available in library) and read the class excerpts from the article, "Automobilist and Christian Morality," p.62.

3. From an almanac cite the statistics concerning auto deaths in the last 5 or 10 years (15,000,000 accidents last year alone). Drawing from your own experience give the class some examples of people having been killed or seriously injured through no fault of their own. Some of your students will be able to add to these examples. Elicit from the class the many causes of auto accidents. (Most of the students will have had Driver Education so the response should be satisfactory.)

4. Have a student prepare a report on the article, "Driving Under the Influence of Emotion," in the October, 1969 issue of Today's Health.

5. Using the local papers read some of the police reports or reports of the Town or Village Justices relating to traffic violations and fines. Have students collect newspaper clippings of awards in automobile negligence cases, new safety features, and accidents due to carelessness. A court visit would be very rewarding.

6. Many of your seniors will be driving automobiles. Have one or two of them explain to the class what auto insurance entails: cost, coverage, etc. (charts on this in the syllabus). Let the class examine an auto policy. Compare policies of different companies.

7. Have a student give a short report on the article, "Teenagers and the Skyrocketing Problems of Auto Insurance," in Senior Scholastic, Dec. 6, 1968.

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Basic Understandings:

1. The automobile when used improperly is one of the most dangerous weapons man has ever turned against himself.

2. Our reponsibility to our fellow man necessitates that we have adequate training before attempting to drive on any highway.

3. An automobile owner should realize the importance of obeying safety laws and regulations.

4. Proper maintenance of an automobile affects both a consumer's safe driving and the resale value of the car.

5. Control over the automotive industry is necessary in order to protect the consumer.

6. Insurance is a necessary part of your financial security for it protects you against the risks of owning and driving a car.

Problem #2:

How do I decide whether or not I should buy a new or used car?

Learning and Teaching Techniques:

1. The teacher should take a poll of his students which would indicate whether or not the family car was purchased new or used. Under the blackboard heading of "New and Used Cars," the teacher can place what his students at this time feel are advantages and disadvantages of purchasing a new or used car (check the syllabus list). The result of this initial introduction to the problem will impress upon the student that there is quite a divergence of opinion concerning the subject.

2. Information should be elicited from the students regarding possible resources that would add to the advantages or disadvantages under their new and used car lists. If the following have not been given by the students, then they should be added as teacher additions:

   a. Opinions of parents and friends regarding car prices, finances available, reliable dealers and other personal buying experiences.

   b. Copies of new and used car warranties.

   c. The point of view of a dealer who handles both new and used cars (A student may have a relative in the business.)

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d. Magazine articles pertinent to this subject which are obtainable from the library. Some examples:

"Close Look at Used Car Buying"
"How to Buy a Used Car"
"How to Buy a New Car"

These resources and others that have been suggested by students should be made the subject of research reports to be given during future class periods.

Basic Understandings:

1. The decision to purchase a new or used car depends upon an individual's economic resources, his personal likes and dislikes, his desire to acquire status in the community, and similar factors peculiar to each buyer.

2. The demand for new automobiles reaches its peak during the fall months of October and November and in the spring months of April and May.

3. The working class usually buys the used cars; if work is plentiful, the demand is high.

4. The winter season is the slow season for used cars.

5. More than 50% of the cars used in the U.S. are used cars.

6. A person has to be more knowledgeable when purchasing a used car than a new one.

Problem #3:

How can I be reasonably assured that I am getting my money's worth when purchasing an automobile?

Learning and Teaching Techniques:

1. The teacher again can employ a comparative studies approach regarding this problem. The following activities are suggested:

   a. From local newspapers have one or two students bring in advertisements - prices quoted for the same year, make and model of cars, sales pitch, etc., should be noted. A "car bug" in the class would be helpful here to explain the attributes of different models - engine power, etc.

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b. See if the class can figure out what the following terms mean in the automotive trade - book value, bait, doping, bashing, warranty (expressed and implied), blue book, "cold" and "hot" cars, ballooning.

c. Have some students take a poll of family and friends concerning experiences which they might have had with dealers concerning warranties.

d. In that there are many car dealers in the area, it would be profitable for a group of students to talk with a couple of them or with salesmen regarding finance plans, cash purchases, etc. They could report back to the class on their experiences.

e. A class skit involving a car dealer and prospective buyers could be worked out. The "customers" should be careful to question the dealer thoroughly.

f. A questionnaire prepared by the class or committee dealing with an automobile purchase could be filled out by parents and friends. Compare the results.

g. Have the Industrial Arts teacher give a brief talk concerning the buying and selling of an automobile.

2. The following articles available in the library will be well worth reporting on: (Check the periodicals at the end of unit for a more complete list.)

"Frequency-of-Repair Records," 1964-69
"Some Variable Costs of Ownership: Repairs, Insurance, Warranties"
"Used Car Buyer's Guide"
"Money-Saving Guide to Car Buying"
"How to Save Money When You Finance a Car"
"Close Look at Used Car Buying"
"Options: Which Are Worth Buying"

<u>Basic Understandings:</u>

1. One of the best means to reduce the cost of acquiring a car is comparative shopping and getting competitive bids.

2. Besides price, also consider the dealer's reliability, the warranty, and maintenance service available.

3. Before buying a car, a skilled mechanic should examine it at a diagnostic center.

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4. The window invoice is not identical with the manufacturer's invoice. This is not necessarily the price of the automobile.

5. The cost of the car is not just the purchase price.

6. Manufacturer's list price is usually meaningless in view of dealer discounts and other variations.

7. Consider the selling price with or without a trade-in.

8. Consider the accessories and standard equipment on each model.

9. Consider the future repair bills that might be necessary when purchasing a used car.

Suggested Vocabulary:

Book Value
Warranty (expressed and implied)
"lemon"
depreciation
"bait"
auto clinic
fixed costs
variable costs
"doping"
"bashing"
contrived demand
collision
"puffs"
trade-in
"ballooning"
10/20/5
body injury
property damage
comprehensive
risks
seasonal fluctuation
premiums
standard equipment
accessories
deposit
direct bank loan
personal bank loan

References and Materials:

The following books are available in the library:

Felsen, Henry G. To My Son, The Teen-age Driver. New York, Dodd 1967

Ford, R., Your Driving Eye. New York, Dodd, 1962

Grant, Bruce, Know Your Car and How to Drive, New York Rand McNally, 1962

Griffin, Garnet, The Teenager and Safe Driving, New York, Rosen, R. 1968

Halsey, Maxwell, Skillful Driving: How to Master the 200 Most Crucial Situations. New York, Doubleday, 1959.

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Hyde, Margaret, Driving Today and Tomorrow. New York, McGraw, 1954

Kearney, Paul W., How to Drive Better and Avoid Accidents, New York Crowell, 1969

Purdy, Ken W., Young People and Driving: The Use and Abuse of the Automobile, New York , Doubleday, 1967

Sports Illustrated, Book of Safe Driving. New York Lippincott, 1962

Taylor, Fred E., How to Avoid Automobile Accidents. New York, Crown, 1968

Weiers, Ronald M., Licensed to Kill: The Incompetent American Motorist and How He Got That Way. Philadelphia, Chilton Book Co., 1968

The following periodical articles are located in our library:

"About Insurance," Motor Trend, 20:94-5, March, 1968

"Auto Insurance: The Lowdown on Safe-Driver Policies," Changing Times, 22: 6-9, June, 1968.

"Auto Insurance: The Stop, Look, and Listen Way to Buy," Senior Scholastic, 93:8-9, December 6, 1968.

"Automobilist and Christian Morality," (by H. Renald) Time, 91:62, May 3, 1968.

"Auto Repairs a Woman Can Make," Good Housekeeping, 170:136, January, 1970

"Behind the High Cost of Auto Repairs," (by R. K. Bennett) Readers Digest, S 95:57-62, September, 1969.

"Car Warranties: It Pays to Know What They Mean," Business Week, p. 110, May 2, 1970.

"Close Look at Used Car Buying," Better Homes and Gardens, 47:44 May, 1969.

"Driving Under the Influence of Emotion," (by S.A. Franzmeier), Today's Health, 47: 40-1+, October, 1969.

"Four Ways to Buy and Sell Your Family's Two Cars," (by D. L. Gregg) Better Homes and Gardens, 47: 66-7, February, 1969.

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"Frequency-of-Repair Records: 1964-1969," Consumer Reports

"Here's a Book All Car Owners Should Read," Changing Times, 24: 15-6, February 1970.

"Honest Dishonesty"(car dealers), Motor Trend, 21:67-9, Feb., 1969

"How to Buy a New Car," Consumer Reports, 34: 401-4, December, 1969.

"How to Buy a Used Car," Consumer Report, 34: 405-21, December, 1969.

"How to Make Your Own Safety Inspection," Mechanics Illustrated, 66: 108-10+, February 9, 1970.

"How to Pay for 15,000,000 Auto Accidents a Year," (by R. E. Stewart) New York Times Magazine, p. 32-44+, May 10, 1970.

"How to Save Money When You Finance a Car," Popular Mechanics, 130: 94-8+, December, 1968.

"How to Set up a Home Diagnostic and Tuneup Center for Your Car," Popular Science, 196: 151-6+, January, 1970.

"If Other Cars Crash Ahead of You," Popular Science, 196:112, Apr., 1970.

"Ignorance Is No Excuse, "Motor Trend, 20:52, August, 1968.

"Men Honk More," Science Digest, 67-69, April, 1970.

"Money-Saving Guide to Car Buying," Consumer Reports, 35: 198-200, April, 1970.

"Motor Trend Interview: Problems Facing Car Owners," Motor Trend, 22: 92+, April, 1970.

"Options: Which Are Worth Buying?" Consumer Reports, 35: 205-8, April, 1970

"Should a Teenager Have His Own Car," Changing Times, 22:21-3, October, 1968.

"Some Variable Costs of Ownership: Repairs, Insurance, Warranties; Your New Car," Consumer Reports, 35: 201-4, April, 1970.

"Shocking Facts About Drinking and Driving," Popular Science, 194: 78-81, May, 1969.

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"Taking Care of Your Car," Popular Science, 196: 40F; 112, March, 1970.

"Teenagers and the Skyrocketing Problems of Auto Insurance," Senior Scholastic, 93: 6-10, December 6, 1968.

"Used Car Buyer's Guide," (by M. Lamm), Motor Trend, 20:48-57, January, 1968.

"Where to Take Your Car for Service," Better Homes and Gardens, 48:128+, March, 1970.

"What's Wrong With Auto Insurance and What Can We Do About It," Readers Digest, 92:67-71, May, 1968.

"Who's Too Old to Drive," Changing Times, 22:45-7, August, 1968.

"Why It's Getting Harder to Have Your Auto Repaired," U. S. News and World Report, 66: 59-60, January 27, 1969.

"Will Your Car Be Stolen Next," (by B. Surface) Readers Digest, 95:157-8, December, 1969.

The following Annotated bibliographies are located in the Social Studies Laboratory:

Paperbound Books in Economics, The New York State Council on Economic Education, 1968.

Audio-Visual Guide in Economics, Albany Center for Economic Education, 1969-1970.

How Do Those Joneses do it? Changing Time 22:7-11, April, 1968

How To Keep From Drowning in Debt Changing Time 23:7-10, February, 1969

Is Your Family's Spending Out of Line? Bureau of Labor Statistics guidelines Changing Time 24:6-10, April, 1970

One Family's Spending: the First 10 Years, Changing Time 24:25-30, January, 1970

Thirty Dollars A Week Feeds A Family of Four, Parents Magazine, 43:58-9, June,1968

What's Happened to the Family Budget? S. Grafton, McCalls, 96:42, September 1969

When the Problem Is Money; Questions and Answers, A. Wood, Seventeen, 28:160, November, 1969

## UNIT IV - HOUSING

Sooner or later each student will be faced with the prospect of housing. Most will either have to rent an apartment or house or take the plunge into home ownership. This topic alone is enough to justify the need for a course in consumer economics. Future decisions that have to be made in this area will have a tremendous amount to due with the student's future happiness.

Objective #1:

To present to the student the advantages and disadvantages of different types of shelter.

Learning and Teaching Techniques:

1. Your students are now experiencing different types of shelter arrangements. In our own vacinity the majority of students will be living in private housing (renting or buying) or renting in an apartment development. A few may be experiencing living in a mobile home. Of course at this time most of them will not be too concerned with their parent's financial obligations regarding housing. However, they will have enough general knowledge or awareness regarding the immediate advantages and disadvantages of their home situation. Prepare a list of different types of housing that have been suggested by your students. You may then suggest to them additional considerations (check your syllabus for a comprehensive listing).

2. In order to give your students an understanding of recent developments relevant to the basic consumer need for shelter, have a few students prepare a report to be given in class on the following periodical articles: (check material section at end of unit)

   "Rush To Apartments"
   "House Shortage: What To Do About It"
   "When Landlords Walk Away"
   "Your Housing Today: Should You Rent Or Buy"
   "Mobile Homes One Solution To The High Cost Of Building"
   "Homes That Come Off The Assembly Line"

3. Have a group of students take a poll of apartment developments in the vacinity (the new LaRose Gardens should be among them). A comparison could be made regarding average construction, rent, locale, tenant rights and obligations, etc. How does this further compare with renting a whole house or part of a private home?

Basic Understandings:

1. A person has to learn to adapt his shelter requirement to his financial ability.

2. Family values and goals influence the decision to buy or rent.

3. Families who are renting may enjoy the maximum of convenience and comfort with a minimum of effort and investment.

4. On a short term basis it is probably cheaper to rent than to own.

5. The costs of shelter should be projected against anticipated income.

6. Each student should know the local government sources available to the tenant.

7. The idealized American housing goal is ownership of a single dwelling unit.

8. Individuals vary in their housing needs and desires.

9. Landlords and tenants have certain obligations to each other and neighboring dwellers.

10. Home ownership represents an investment which may be an important economic consideration in the consumer's future (hedge against inflation, etc.).

Objective #2:

To be aware of the unforseen expenses in the initial buying of a house.

Learning and Teaching Techniques:

1. Most people when buying their first house do not have the finances available for a cash purchase. They will have to obtain a mortgage and the costs and terms of a mortgage can vary greatly. Most of the parents of your students will be home owners. Prepare a brief questionnaire containing the following items:

   When did you buy the home?
   Type of mortgage acquired?
   Percent of interest on the loan?
   Number of years the loan is for?
   Closing Cost? (this may be a hard one for the parent to remember - a typical case would be:)

Closing Cost -

| | |
|---|---|
| Mortgage Tax | - $100.00 |
| Tax Reserve | - $500.00 |
| Attorney's Fee | - $100.00 |
| Recording Fee | - $ 15.00 |
| Fire Insurance (premium) | - $ 60.00 |
| Service Charge | - $130.00 |

- add any additional items you may wish to the questionnaire.

Have several students take this questionnaire home to their parents. These questionnaires should not identify any specific parent. Upon completition make a blackboard comparison of several of them. The apparent differences in the interest charges, closing costs, etc., should provide a source of interesting classroom discussion concerning different types of mortgages, etc. For further comparison the teacher might bring in his own records of mortgage contract and house closing. This personal involvement of both parents and teacher will make the material all the more personal to the students.

2. Have each student bring in a real estate advertisement from the local paper (one giving the asking price of the house). Noting the average rate of interest charge in the vacinity have each student determine the full price of the home after payments of 20-25 years ( a formula is available). The teacher might also bring into class his own mortgage payment receipt showing amount paid on principal, interest and taxes for one month.

3. Check your periodical list in the material section. The following would make interesting reports:

"Money Squeeze On Homes"
"Noose Tightens On Housing"
"How And Why Of Taking Over A Mortgage"
"More Steps To Aid Mortgage Lending"
"Outlook For Home Buyers"

<u>Basic Understandings:</u>

1. There are varying types and prices of mortgages.

2. Before buying a mone one's income should be large enough, not only to meet the principal and interest payments on the mortgage, but also other expenses connected with home ownership.

3. The initial closing costs are added to the purchase of the house and can constitute a very formidable sum.

4. In the first few years of mortgage payments the greater amount of payment goes for interest on the amount owed and taxes. The lesser part goes for the reduction of the principal.

5. The bigger the down payment, the bigger the future savings.

6. A long term loan costs considerably more than a short term loan.

7. It is wise to choose an institution that specializes in mortgages.

8. It is important to consult a good real estate lawyer when you prepare to buy a house.

Objective #3:

To acquire an understanding of the many factors involved in making a choice between purchasing a new or older house.

Learning and Teaching Techniques:

1. If the teacher is not completely familar with the many "ins and outs" of housebuying, he should consult a publication called How To Avoid The 10 Biggest Homebuying Traps by A. M. Watkins. This book is available in the library and covers every aspect of homebuying.

2. If possible, have the Industrial Arts teacher explain to the class the construction in newer homes compared with the construction found in many older homes.

3. Students themselves will be living in houses of different variety. Have a few of them comment on the age of their home, living space, grounds, repairs parents have had to make, when purchased (new or used and cost and the present monthly costs of maintaining the home (mortgage payments, heat, etc.).

4. The following are just a few of the periodical articles located in the material section of this unit that would make excellent reports:

"How To Spot A Bad House That Looks Good"
"Is That Older House Worth Buying?"
"How To Buy A Good Old House"
"How To Judge The House You Want To Buy"

"Basic Steps To Take When Buying A House"
"Buy A Lot And Build A House"
"How To Get Better Homes For Less Money"

5. Now have each student make up a checklist for buying a house. Collect these checklists and read to the class all the different items that have been submitted to be checked off. If there are some important omissions then add some teacher additions or question the class in such a way so as to discover the missing items. From the student contributions make up a general checklist on a ditto and have each student check out any house of his own choosing. Through a comparison of results they will realize the many intricacies involved in the selection of a house.

Basic Understandings:

1. A family can rarely afford to purchase the home that they would like to own.

2. There are advantages and disadvantages in purchasing an older house.

3. There is no such thing as the perfect house.

4. Many people are attracted to old houses by emotional forces just as strong as those in people who seek new houses.

5. The house you buy will probably represent compromise in size, type, price, location and facilities desired.

6. The services of an informed third party can be very valuable when choosing and purchasing a house.

7. Buying and owning a really good, trouble-free house can be never-ending source of great pleasure and satisfaction.

Suggested Vocabulary:

fair market value
real estate appraiser
sales price
real estate broker
mortgage
closing costs
escrow real estate taxes
homeowners insurance
"points"
tight mortgage bind
builder's credentials
house style
zoning
floor levels
homesite
prefabrication
duplex
assessment
tax rate
tax exemption
housing developments
inner city
urban
suburbia

References and Materials:

The following periodical articles are located in the library:

"ABCs Of Selling Your House," Mechanics Illustrated, 65:66-8+, April 1969

"Basic Steps To Take When Buying A House," Good Housekeeping, 168:166, February 1969

"Buy A Lot And Build A House," Changing Times, 23:25-8, May 1969

"Can You Have The House You Want," Parents Magazine, 44:92-5, March 1969

"Changes In Housing Law: What They Mean," U. S. News and World Report, 67:20, December 29, 1969

"Choosing A Mobile Home Park," Consumer Bulletin, 52:21-3, March 1969

"Great U. S. Housing Shortage," Newsweek, 73:68-70, March 31, 1969

"Homes From Production Lines," U. S. News and World Report, 68:74-5, March 23, 1970

"Homes That Come Off The Assembly Line," Reader's Digest, 94:23-44, April 1969

"Horrors Of Home Repair: Unskilled And Inaccessible Craftsmen," Life, 68:58-60+, June 5, 1970

"How To Get Better Homes For Less Money," Redbook, 133:86-7+, May 1969

"How To Buy A Good Old House," Popular Mechanics, 132:139-42+, September 1969

"How And Why Of Taking Over A Mortgage," Changing Times, 24:21-3, January 1970

"Housing: Too Little, Too Expensive," New Republic, 162:9-11, April 4, 1970

"Housing: From Crisis To Disaster?" Look, 34:53-9, February 10, 1970

"House Hunting? Costs You Face, City By City," U. S. New and World Report, 68:81-2, May 18, 1970

"Housing Boom: How Big?" U. S. News and World Report, 66:86-8, March 17, 1969

"How Much Does Remodeling Cost?" American Home, 72:50-1, May 1969 (not in our library)

"How To Spot A Bad House That Looks Good," Popular Mechanics, 131:144-6+, February 1969

"House Shortage: What To Do About It," Good Housekeeping, 169:206, November 1969

"How To Judge The House You Want To Buy," House and Gardens, 135:70+, March 1969

"If You Are Trying To Build A Home Of Your Own," U. S. News and World Report, 66:45-6, June 30, 1969

"Is That Older House Worth Buying?" Better Homes and Gardens, 47:144, May 1969

"Lenders Say: No Relief Near For House Hunters," U. S. News and World Report, 67:86-8, October 27, 1969

"Mobile Homes One Solution To The High Cost Of Building," Consumer Bulletin, 52:23-4, February 1970

"Mobile Home Sales Roll Toward $3-Billion," Business Week, p. 7, February 28, 1970

"More Steps To Aid Mortgage Lending," U. S. News and World Report, 68:80-1, March 2, 1970

"Money Squeeze On Homes," Newsweek, 75:59, February 2, 1970

"Noose Tightens On Housing," Business Week, p. 32, January 17, 1970

"New Kind Of Total House," Better Homes and Gardens, 47:74-9, September 1969

"One Housing Boom That Keeps Growing," U. S. News and World Report, 68:58, February 2, 1970

"Outlook For Home Buyers: Interview P. Martin," U. S. News and World Report, 68:60-3, March 23, 1970

Recognizing Market Realities," Time, 95:70, January 12, 1970

"Rush To Apartments," U. S. News and World Report, 67:46:8, December 8, 1969

"When Landlords Walk Away," Time, 95:88+, March 16, 1970

"Where Housing Will Break New Ground," Business Week, p. 32+, March 7, 1970

"Signs Of A Boom In Home Building," U. S. News and World Report, 66:10, January 27, 1969

"Your Housing Today: Should You Rent Or Buy?" American Home, 72:80+, January 1969 (not in our library)

"This Is PreFab?" Better Homes and Gardens, 48:38-9, January 1970

"We Built This House For $7500," Popular Mechanics, 132:126-33+, November 1969

"Why Housing Cost Are Going Through The Rood," Time, 94:82+, October 31, 1969

## UNIT V - SHORT TERM CONSUMER CREDIT

**Objective #1:**

To develop understanding of the proper use of credit.

Learning and Teaching Suggestions:

"Consumer credit is a recognized financial tool in personal family money management. No intelligent consumer can afford to ignore or, or to misuse it. Wisely used, consumer credit can help individuals and families achieve some of their important goals in life." 1. What is consumer credit? Why do individuals and families use consumer credit? What is a credit rating? How do you lose a good credit rating?

Several individual activities might be included in determining answers to the above.

1. Study and report on the advantages and disadvantages of using consumer credit. How can an advantage for one person be a disadvantage for another?

2. List the purchases typically made with charge account credit, with installment credit.

3. Describe the types of sales credit by means of a chart, charge account, revolving credit, credit cards, installment plan, indicate their advantages and disadvantages.

Basic Understandings:

1. Credit is used for immediate satisfaction as opposed to savings deferred satisfaction.

2. The use of credit is an accepted way of doing business in buying and selling goods and services.

3. Credit involves debt. There are definite responsibilities and obligations that accompany the use of credit.

4. An individual's way of life affects his ability to obtain credit. He must meet certain standards in order to obtain credit. An investigation is carried out before granting credit.

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1. Household Finance Corporation, Prudential Plaza, Chicago, Illinois "Your Guide for Teaching Money Management"

Objective #2:

To learn what the dangers of credit are, and how to avoid these dangers.

Learning and Teaching Suggestions:

"Misused credit can create problems and lead to financial loss, family discord, and concern, and decline in the level of living." 1. The consumer's responsibilities in using credit and the creditor's responsibilities in granting credit must be established. Discussion questions might include the follcwing:

1. What steps can lenders and sellers take to discourage families from misusing credit?

2. How can the misuse of consumer credit cause or contribute to family financial problems?

3. How can consumers decide how much credit they can safely use?

Individual activities might include the following:

1. Investigate and report on recent developments in credit card plans.

2. Show how to find the cost of credit.

3. Imagine that you need $500 for clothes, college, doctor bills, vacation, used car repairs, or furniture. Under what circumstances would you use credit, or wait until you had saved the money or would you do without?

4. Show how the family's use of credit usually varies with different stages in the life cycle.

Group projects:

1. Collect and compare applications from a retail store, a bank, a consumer finance company.

2. Collect and display different types of credit contracts and discuss the terms set forth in each.

3. Investigate and discuss the consequences of failing to meet credit obligations.

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1. Household Finance Corporation, Prudential Plaza, Chicago, Ill., 60611 "Your Guide for Teaching Money Management"

4. Discuss "It is as important to shop for credit as to shop for other goods and services."

Basic Understandings:

1. Credit should only be used when absolutely necessary.

2. There are advantages and disadvantages in the use of each form of credit.

3. Credit involves debt. There are definite responsibilities and obligations that accompany the use of credit.

4. Each kind of lending institution may have a different interest rate.

5. Credit costs are complex and may be difficult to determine.

Objective #3:

To understand how the wise use of credit stimulates the economy, helps families acquire assets, and raises the general level of living.

Learning and Teching Suggestions:

1. Find sources of loan credit in your community. Compare by chart each source in terms of security required, cost of credit, repayment plans, services.

2. Explain how use of credit to purchase a durable good affects future income and future needs and wants.

3. Explain how government control of credit can affect the stability and growth of the economy. 1.

Group activities:

1. Study and discuss "If consumer credit were suddenly no longer available, how would it affect family levels of living, the economy, business and you personally."

2. Assign committees to study and discuss: credit problems and how to avoid them, laws that regulate consumer credit, relationship of credit to the economic health of the nation. 1.

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1. Household Finance Corporation, Prudential Plaza, Chicago, Illinois "Your Guide for Teaching Money Management"

## Unit V - Consumer Credit

Basic Understandings:

1. Credit used wisely stimulates the manufacture of goods, helps families acquire material assets, and raises the general standards of living.

2. Availability of credit stimulates the demand for consumer goods.

3. Credit is used as an inducement to create increased demand for goods.

Vocabulary:

In order to better understand this unit, it is suggested that the following vocabulary be part of the required learning activity.

| | |
|---|---|
| Terms | Credit rating bureau |
| Credit | Creditor |
| Debt | Debtor |
| Consumer Credit | Producer credit |
| Investment | Bond |
| Credit cards | Discretionary income |
| Discounting a loan | Bankruptcy |
| Carrying charge | Garnishment |
| Repossession | Pawn shop |
| Big ticket | Interest rate |
| Collateral (security) | Down payment |
| Contract | Installment buying |
| "Add-on" contract | Personal borrowing |
| Charge account | Credit rating |
| Cash | Revolving credit |

The following articles may be found in the high school library:

"Charge-a-tax: Service for Holders of Bank Americard or Master Charge Card," Time, 95:70, January 26, 1970

"Credit Bureaus: What They Know About You," Good Housekeeping, 169:184

"Credit Cards; Easy Come, Easy Go?" Senior Scholastic, 96:15-16, March 23, 1970

"Credit Cards or Cash?" Consumer Bulletin, 52:30-1, April 1969

"Hazards of Unsolicited Credit Cards," B. Furness, McCalls, 97:58+, May 1970

"How and Whys of Credit Unions," Changing Times, 22:33-7, December 1968

"Little Gift From Your Friendly Bank," P. O'Neil, Life, 68:48-50A, March 27, 1970

"Lure of Instant Cash," Time, 94:73, July 11, 1969

"New Key to Credit Shopping: Truth-in-Lending Act, Consumer Republic, 34:360-6, July 1969

"On Paper Things Look A Bit Looser," Business Week, p. 33, February 8, 1970

"Santa Claus That Makes You Pay: Bank Credit Cards," Business Week, p. 76-9, December 20, 1969

"Those Charge Anything Anywhere Credit Cards," Changing Times, 24:6-10, March 1970

"What Else Can You Charge On Your Gas Card?" Changing Times, 23:23-4, July 1969

"Why the Worry Over Credit Cards," U. S. News and World Report, 67:62-5, November 24, 1969

UNIT VI

BUDGETING AND MONEY MANAGEMENT

Today's young people are growing up with more spending money than ever before. Learning how to spend this money wisely is difficult. The major cause for breakup of families and, especially teenage marriages, has been inability to manage money. Many of our high school young people have jobs, and trying to spend their money wisely should be one of their goals.

Objective #1 To understand the need of planning for spending money wisely.

Learning and teaching suggestions:

1. To stimulate discussion, ask if anyone has a pressing need for money. Has any planning been done as to where the money is coming from? Can any plan of action be taken?

2. What expenses may be incurred as a senior at GFHS? (Yearbook, announcements, pictures, cap and gown, dances, clothes, ring?). Where will the money come from? What makes you decide what your needs and wants will be? How do values and goals enter into this?

3. Work out some plans to achieve some proposed goals: money for college, owning a car, furnishing a room, a vacation.

4. Check sources in the library to find out how many bankruptcies are occurring each year. What is causing an increase? What can be done to alleviate this condition? How does bankruptcy relate to a need for financial planning?

Basic Understandings:

1. A plan for spending helps a person or family enjoy both short term and long term goals.

2. Effective money management makes one make decisions about the source of money and where and how it is spent.

Objective #2 To discover how one plans for sound expenditure of money.

Learning and teaching suggestions:

1. Have each student open his wallet or purse to find what he has in available money. Has he plans for its use? How long does it have to last? What happens if he runs short? What happens if a family runs short? What about a plan? What is a budget?

2. Have each student set up a budget for himself after the class has proposed certain categories. Why won't one budget work for everyone?

3. Dramatize, using role play:

   a. a family planning the use of income for one year

   b. a couple or family discussing the pros and cons of a wife or mother working

   c. a couple planning for the arrival of a first child

4. Divide the class into groups and using typical take home pay figures (obtained from class members) work out family budgets. Establish family size, ages, income, etc.

5. Describe ways to control spending.

Basic understandings:

1. A budget is a plan for the use of money.

2. A good budget should help one to live within his income.

3. A budget is only a guide and can be changed when the personal or family situation changes.

Objective #3 To discover that sound money management is necessary for intelligent consumer behavior.

Learning and teaching suggestions:

1. Using budgets set up in objective #2, what is the student reaction? Some of these budgets should have been tried, and comparisons made.

Basic understandings:

1. Every plan for spending is a personal affair.

2. Each budget must be geared to the given individual or family.

3. A successful plan of spending will give an individual or family a sense of security and well-being.

Vocabulary:

disposable income
real income
elasticity
spendthrift
petty cash
hand-to-mouth living
take-home pay
value
income
standard of living
resources
flexible
fixed expenses
variable expenses
discretionary spending
discount
impulse buying
needs
wants

## BANKING AND SAVINGS

Objective #1 To become familiar with the three different kinds of financial institutions: savings banks, commercial banks, savings and loan associations, - and how each can serve the consumer.

Learning and teaching suggestions:

1. Field trips to visit a savings or commercial bank would be ideal but since this is probably impossible, arrangements for a speaker from each bank would be helpful. Each speaker should explain what services are available at his bank.

2. Ask students to relate personal or other experiences with banking services. If the student has a personal account, ask him to describe how the account was opened, when interest is paid, what the interest rate is, and for what purpose he is saving.

3. Ask students to find out from their parents or friends what banking services they have used.

4. Compare the importance of deposit insurance to individual depositors. Have students find out whether local banks provide this type of insurance.

5. Have a group of students make a chart comparing interest rates in area banks, savings institutions, a sales finance company, a credit union, a personal finance company, etc.

Basic understandings:

1. Banks, originally were safe-deposit instiutions, now perform many currency, credit and other related services.

2. There are two major types of banks: commercial and savings banks with each performing different functions.

3. Banks help their customers handle large sums of money to protect them from fraud.

Objective #2 To enable the consumer to gain understanding and experience in handling his personal financial records so he can handle his money and his credit needs in an effective way.

Learning and teaching suggestions:

1. Have students create a topical wall chart or display.

   a. How to write a check.
   b. Which kind of endorsement should I use?

Learning and teaching suggestions (continued):

2. Keep a bulletin board on clippings from magazines, newspapers, etc. on the following:

a. forgery
b. interest rates
c. mortgages
d. etc.

3. Create a fictional average family situation with typical financial problems and transactions. Develop a series of problems and business deals involving banking and saving. Ask students to propose solutions. Make out appropriate forms, give students experience in completing forms.

4. Plays and skits - write up and set out a financial situation.

a. Applying for a loan
b. Opening an account
c. Making a withdrawal
d. Making application for a mortgage

Basic understandings:

1. Checks and notes are used in place of cash for safety and convenience of persons transacting business.

2. Negotiable instruments circulate like United States currency except that most checks and notes require endorsements to transfer ownership.

3. A bank statement serves as a useful guide in insuring the accuracy of the customer's account.

Objective #3 To understand the benefits of saving.

Learning and teaching suggestions:

1. Develop a list of short-term and long-term needs of students. Determine how much would have to be saved per week to achieve one or more of these goals.

## INVESTMENTS

Objective #1 To learn what should be considered before investing.

Learning and teaching suggestions:

1. A film would be an excellent way to introduce this unit.

2. Have students keep an up-to-date bulletin board on what's happening in the stock market.

3. Show how families invest through the purchase of durable goods.

4. Set up a financial plan for yourself based on expected income, goals and financial circumstances.

Basic understandings:

1, Investing is a way of setting aside current income for future use.

2. Investments usually refer to income-producing assets -- stocks, bonds, real estate, business.

Objective #2 To acquaint the student with some of the different types of investments.

Learning and teaching suggestions:

1. Suggest to the class, that they as a group purchase a share of stock, holding it for a period of time, and then selling it.

2. List the advantages and disadvantages of investing through the monthly investment plan, an investment club, an investment company.

Basic understanding:

1. In experienced investors should seek financial advice from professional advisers before investing.

Objective #3 To learn how the student can protect himself from risk on the "market."

Learning and teaching suggestions:

1. Assign for reading "Ten Point Guide for the Careful Investor."

2. Invite a speaker from the Bureau of Consumer Frauds and Protection.

Basic understandings:

1. The less money a person has to invest or the greater his obligations are, the less risk he can afford to take.

2. Reliable stock exchange firms will make investments for you, taking into consideration your personal goals.

Vocabulary:

Accommodation endorsement
Balance
Bank
  central bank
  commercial bank
  savings bank
Blank endorsement
Cashier's Check
Central Bank see Federal Reserve
Certified check
Charge-a-loan
Check
Checking account
Christmas club
Collateral
Collateral loan
Commercial bank
Commercial paper
Compound interest
Credit
Credit union
Currency
Debit
Demand depositor
Deposit
Deposit slip
Discretionary income
Draft
Endorsement
Endorser
Federal Deposit Insurance
  Corporation (F.D.I.C.)
Federal Housing Administration
  (FHA)
Federal Savings and Loan Insurance
  Corporation (F.S.A.L.I.C.)
Federal Reserve System
Felony
Forgery
Fraud
Grow power
Interest
Interest rate
Kiting-writing a check
Loan-also-
  Charge-a-loan
  Collateral loan
  Mortgage
  Passbook loan
  Personal loan
Letter of credit
Liquidity
Long-term needs
Misdemeanor
Money
Money income
Mortgage
Needs
Negotiable instrument
Overdraft
Paper money
Passbook loan
Personal loan
Planned savings
Prime interest rate
Promissory note
Qualified endorsement
Safe-deposit
Savings and loan association
Savings account
Savings bank
Short-term needs
Simple interest
Special (full) endorsement
Statement
Time deposit
Traveler's check
True annual interest rate
Trust
Vacation club
  (Christmas club)
Veterans Administration Home
  Loans
Withdrawal slip

Learning and teaching suggestions (continued):

2. A group activity suggestion would be to make a chalkboard list of savings goals for teenagers, young adults, newly married couples, growing families, retired people.

3. Assign groups to work out a net worth statement for these above families.

Basic understandings:

1. Savings involves giving up some present good or service in favor of a more rewarding future one.

2. A good savings plan begins with specific goal.

3. Small regular savings can grow to a significant size.

References:

Going Shopping at Your Bank: How It Soon May Work.
U. S. News 66:76-7 Feb. 3, 1969

My Checkbook and Me, E. Bombeck. Good Housekeeping, 170: 64

Filmstrips (Social Studies Dept.)

U. S. Economy: #3 Money and How We Use It
#36 Our Money System

UNIT VII SECURITY PROGRAMS

(Life Insurance, Social Security, etc.)

Objective #1:

To acquire an understanding of the various types of life insurance.

Teaching and Learning Techniques:

1. Insurance application forms and various pamphlets describing different types of insurance (75 to 100 copies each) have been made available by the Glens Falls Insurance Company. Having the students fill out these forms will give them a grasp of what is involved concerning information wanted and requirements.

2. Tom Foster of the Glens Falls Insurance Company can provide you with more of the materials mentioned above, and perhaps additional material.

3. The Home Economics Department has a filmstrip and record available entitled, "Patterns for Protection." This presents different types of insurance, tells how they gauge what premiums will be, ect. It would be well worth showing.

4. The following are a few of the articles that might be reported on: (check list at the end of this unit.)

   "Who Needs Insurance"
   "Give Your Life Insurance This Checkup"
   "When Is Term Insurance The Best Buy?"
   "Low Cost Life Insurance"

5. Have a member of the Business Department talk to the group concerning the pitfalls of buying life insurance programs and the cost to the consumer.

6. Have several students prepare a chart comparing the major features of different life insurance programs and the cost to the consumer.

7. After the students have familiarized themselves with the various types of life insurance have each determine what his own family's insurance needs would be.

Basic Understandings:

!. Life insurance reduces the individual risk of loss by sharing the risk with many.

2. Besides being a form of protection, life insurance may also be a form of savings.

(cont'd)

Unit VII - Security Programs

3. The four general categories of life insurance are term, life, endowment and annuities.

4. Life insurance may provide important psychological benefits to the insured and his family.

5. Life insurance is a contract between an insurance company and a person, based on the life of an individual.

6. Life insurance should be bought at the age that it fulfills its greatest need.

7. If you understand the terms used in life insurance, you are more likely to purchase the kind of protection you want and need.

8. Comparative shopping will get the consumer the most insurance for his money.

Objective #2:

To acquaint the students with the different types of social insurance programs.

Learning and Teaching Techniques:

1. Paul McDonnell is the representative of the local Social Security Office. He will be available to speak to all the classes on the different aspects of Social Security and Medicare. In the past, students have enjoyed his visit and he should enliven the classroom to a great extent during this unit.

2. Other sources of possible resource people in the community would be the local office of New York State Employment Office and the County Welfare Department.

3. Have a few of the students take an opinion poll of parents and friends regarding Medicare and Medicaid. There has been some controversy regarding these programs and some of the opinions would certainly reflect this.

4. Have a group of students set up a debate or panel discussion on the following:

   Resolved: If the cost of living goes up, Social Security should be increased by the same percentage.

   Resolved: The United States should adopt a system of socialized medicine.

(continued)

Unit VII, Security Programs

5. Assign the following articles to be reported on to the class: (check the material section)

"Time to Check Over Your Health Insurance"
"Social Security at the Crossroads"
"Dental Insurance: A Developing Success Story"
"High Cost of Health: Senate Finance Committee Hearings"
"Scandal in Medicare"
"Health Insurance, Which Plan for You"

6. Many of your students will have part-time jobs. Have them explain how they acquired a social security card and what payroll deductions they have experienced.

Basic Understandings:

1. Social Security not only provides retirement benefits, but it may also be a source of income to survivors or dependents of deceased or disabled workers.

2. In that Social Security provides only minimal coverage, a person may need additional income for his old age.

3. Life and health insurance or savings and investments may be necessary to supplement income during the retirement years.

4. Medicare is a federal health insurance program which covers most persons who have reached the age of 65.

5. Public Assistance provides federal and state aid to people in need who are not covered by other Social Security programs.

6. Workman's Compensation provides aid to employees who are hurt while working at the place of their employment.

7. Medicaid is a federal-state-local program that provides funds for needed medical care for families who cannot pay for it.

Suggested Vocabulary

| | | |
|---|---|---|
| actuary | contract | face amount |
| administrator | defamation | family plan policy |
| amortization | disability income | grace period |
| annuity | dividends | group life insurance |
| application | double indemnity | health insurance |
| beneficiary | endowment | income policy |
| binding receipt | executor | lapse |
| broker | expected mortality | liabilities |
| cash value | extra premium | life expectancy |

Unit VII
Vocabulary, cont'd.

loan value
lump sum
maturity value
misrepresentation
mortality
mutual company
ordinary life (whole life) (straight life)
paid-up
policy
preferred risk
premium
rebating
reinstatement
renewable term
retirement income
rider
risk
salary savings insurance
savings bank life insurance
standard risk
Social Security
stock company
suicide provision
term insurance
trust
trustee
waiver of premium disability benefit
weekly premium insurance
will

Medicaid

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Materials: (The following will be found in the library)

"Insurance to Check for Special Purposes," Good Housekeeping, 170:188 April, 1970

"Dental Insurance: A Developing Success Story," Today's Health, 48:48-9+, March, 1970

"When Is Term Insurance the Best Buy?" Changing Times, 24:43-5, March, 1970

"Coming: Changes in Social Security," U. S. News and World Report, 68:34-6, February 2, 1970.

"Now: Bigger Checks for the Elderly," U. S. News and World Report, 68:38, April 6, 1970.

"Medicare in Trouble: Senate Study of High Costs, Abuses," U. S. News and World Report, 70-2, February 16, 1970.

"Scandal in Medicare?" U. S. News and World Report, 68-6, Feb. 9, '70

"How Should Your Life Insurance Pay Off," Changing Times, 24"41-2, May, 1970.

"Social Security at the Crossroads," Readers Digest, 96:81-5, Apr., 1970

"Time To Check Over Your Health Insurance," Changing Times, 24:15-18, June 1970

"Bigger Pensions, Higher Taxes: Coming Hike in Social Security," U. S. News and World Report, 68:74-6, May 18, 1970

"Health Insurance, Which Plan For You?" Today's Health, 47:54-7, December 1969

"For Women: Advice On Social Security," Changing Times, 23:37-8, November 1969

"Insurance Rates Take New Route," Business Week, p. 67, January 3, 1970

"Who Needs Insurance?" Senior Scholastic, 94-28, April 11, 1969

"All-In-One Insurance For Householders," Changing Times, 23:24-8, April 1969

"Just How Much Does Your Personal Insurance Cover?" Better Homes and Gardens, 47:7, June 1969

"Give Your Life Insurance This Checkup," Changing Times, 23:17-19, June 1969

"Auditing The Doctors; Question Of Overbilling Medicare And Medicaid Patients," Time, 94:38+, July 11, 1969

"High Cost Of Health; Senate Finance Committee Hearings," Newsweek, 74:61, July 14, 1969

"Is Medicare Worth The Price?" U. S. News and World Report, 67:48-51, July 21, 1969

"Low-Cost Life Insurance," Today's Education, 58-76, February 1969

"How Would You Pay A $15,000 Hospital Bill," Changing Times, 23:7-10, August 1969

"If You Quit Paying On Your Life Insurance," Changing Times, 23:18, October 1969

## UNIT VIII

## FRAUD, QUACKERY AND DECEPTION

Objective #1:

To be able to distinguish between honest and dishonest businessmen.

Learning and Teaching Suggestions:

1. Schedule a showing of the movie: "Beware of Health Frauds." (available from AMA)

2. Have a committee of volunteers tape an interview with an M.D. on health quackery. The tape will be useful in all class sections each semester.

3. Have students bring in examples of misleading advertising from magazines, daily papers, "junk mail".

4. Have students read and learn the "Ten Point Buying Guide for Consumers" prepared by Attorney General Louis J. Lefkowitz.

5. Have students do some shopping-comparing wholesale vs. retail prices.

Basic Understandings:

A consumer should:

1. seek qualified medical advice when considering purchase of health devices or medication.

2. investigate mail order promotions.

3. make decisions slowly--reputable firms will be in business tomorrow.

4. the consumer may suffer loss even though deception is not necessarily illegal or visible.

## UNIT IX - CONSUMER LAW

Objective #1:

To understand how consumers are served and protected by various government agencies, business organizations, and private groups.

Learning and Teaching Suggestions:

1. Obtain copies of contracts. Analyze them to determine if they meet essential requirements.

2. Discuss a minor's responsibilities in connection with signing contracts.

3. Have students prepare a bulletin board showing various public and private agencies available to assist consumers.

4. Make a checklist of various ways in which a consumer may suffer a loss.

5. Draft a letter to a business firm: to call attention to a product that failed to perform satisfactorily . . . . to approve a policy or service . . . . to complain about a product or an inconvenience . . . . to make suggestions for improving a service or product.

6. Describe a consumer's rights and responsibilities when he has been mistreated in a business transaction. Give examples.

7. Visit a Better Business Bureau and report to the class on its services to business and the consumer.

Basic Understandings:

1. A consumer has the right to open communication with business on matters of consumer interest.

2. A consumer has the right to protection against misrepresentation, dishonesty and fraud.

3. A consumer has the responsibility to report unlawful or unfair practices to proper authorities or agencies.

4. A consumer has the right to assurance of satisfactory qualify and service.

Objective #2:

To understand how and why business and consumers depend on each other in achieving mutual goals.

Learning and Teaching Suggestions:

1. List four responsibilities of consumers to business and vice versa.

2. Explain how consumer decisions affect business policies, quality of goods and services, prices, laws.

3. Report on ways you can make your consumer needs and wants known to the business community.

4. Assign groups to study and report on one of the following and its importance to the consumer: Sherman Anti-Trust Act, Federal Trade Commission Act, Miller-Tydings Act, Robinson-Patman Act, Clayton Act, Food and Drug Act, Flammable Fabrics Act, Truth-in-Packaging Act, Wholesome Meat Act, Federal Meat Inspection Act.

Basic Understandings:

1. A consumer needs to understand the economy and his place in it.

2. A consumer protects his rights and accepts responsibilities by paying taxes and knowing how tax dollars are used.